REMARKS

Applicants reply to the Final Office Action mailed July 6, 2005 within two months. Thus, Applicants respectfully request an Advisory Action, if necessary. Applicants amend the application and seek reconsideration thereof. In this reply, Applicants amend each of claims 1, 3-5, 39, and 40. Applicants do not cancel or add any new claims in this reply. Claims 1, 3-5, 39 and 40 are pending. No new matter is added in this Reply.

I.   Claims Rejected Under 35 U.S.C. § 112

The Examiner rejects claim 5 under 35 U.S.C. § 112, first paragraph, as failing to comply with the enablement requirement. Applicants respectfully traverse this rejection, but amend independent claim 1, from which claim 5 depends, to expedite prosecution. More particularly, Applicants have amended claim 1 to recite, "reading signature data, by a card reader" and "receiving, at a security server, said signature data from a computer coupled to said card reader." Accordingly, Applicants submit that claim 5 fully conforms with 35 U.S.C. § 112.

II.   Claims Rejected Under 35 U.S.C. § 103

The Examiner rejects claims 1, 3-5, 39 and 40 under 35 U.S.C. § 103(a) as being obvious over U.S. Patent No. 6,327,578 issued to Linehan ("Linehan"). Applicants respectfully traverse these rejections, but amend claims 1, 39 and 40 to expedite prosecution.

In making the rejection, the Examiner characterizes Linehan as essentially showing each of the elements of claims 1 and 40 in the instance when, by coincidence, a merchant and a user share the same bank or financial institution. The networks disclosed in Linehan send "from a consumer's computer a start message over an internet to a merchant's computer." Linehan, Column 4, lines 10-12. "The merchant's computer then replies to the consumer's computer with a merchant message including a wallet initiation message, a merchant digital signature, and a digital certificate from an acquiring bank." Id., lines 12-16. The consumer's wallet program is then started in the consumer's computer in response to the wallet initiation message. "The consumer's computer then

sends over the internet network some consumer identity and authentication information, such as a userid and user password, plus the merchant message, to an issuer gateway operating on behalf of an issuing bank." Linehan, Column 4, lines 19-23. Thus, in Linehan, a user inputs his/her userid and user password for identification and authentication purposes. Linehan does not disclose or suggest reading data directly from a debit card, a credit card, a charge card, or a smart card to verify that the consumer is in actual possession of the debit card, credit card, charge card, or smart card. Accordingly, Linehan does not disclose or suggest at least "receiving signature data, read by said card reader, from at least one of said debit card, said credit card, said charge card, and said smart card, wherein said debit card, said credit card, said charge card, and said smart card each includes signature data configured to authenticate that at least one of said debit card, said credit card, said charge card, and said smart card was physically interfaced with said card reader" (emphasis added), as similarly recited by independent claims 1 and 40.

Claims 3-5 depend from independent claim 1 and include all of the elements thereof. Therefore, Applicants submit that claims 3-5 are differentiated from the cited reference for at least the same reasons as set forth above, as well as in view of their own respective features.

Regarding claim 39, the Examiner claims that the "merchant computer" in Linehan is a transaction instrument. Applicants have amended claim 39 to recite "at least one of a debit card, a credit card, a charge card, and a smart card." Thus, in view of this amendment and the discussion above, Applicants submit that Linehan fails to teach or suggest at least "an interface . . . configured to authenticate that at least one of said debit card, said credit card, said charge card, and said smart card was physically interfaced with said card reader" as recited in independent claim 39 (emphasis added).

III.   Conclusion

In view of the foregoing, Applicants assert that all claims now pending are in condition for allowance. A Notice of Allowance is earnestly solicited at the earliest possible date. If the Examiner believes that a telephone conference would be useful in moving the application forward to allowance, the Examiner is encouraged to contact the undersigned at (602) 382-6389. Applicants authorize

and respectfully request that any fees due be charged to Deposit Account No. 19-2814.

Respectfully submitted,

Dated: 8/10/05   By: _____

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